



Report to the Legislature

Blended Funding Projects

Chapter 219, Laws of 2000, Section 2

December 1, 2001

Department of Social & Health Services
PO Box 45710
Olympia, WA 98504-5710
(360) 902-7848

Department of Social and Health Services Legislative Report on Blended Funding Projects December 2001

In accordance with the requirement of Chapter 219, Laws of 2000, Section 2 of the State of Washington, this document has been prepared to report the work of the Department of Social and Health Services (DSHS) in blending funds to provide enhanced services to children and families with multiple needs.

As noted in the last report, categorical funding in most of our programs limits opportunities to blend funding to provide services. This, however, does not prevent the department programs from coordinating services to shared clients. This report addresses the formal blended funding project DSHS Children's Administration has undertaken, as well as other continuing programs, and our efforts to "braid" funds through the No Wrong Door Project.

BLENDED FUNDING ACTIVITIES

TITLE IV-E DEMONSTRATION WAIVER PROJECT

With the passage of the Adoption and Safe Families Act in 1997, the federal government made several demonstration waiver opportunities available for states to test innovative uses of federal funds through the Title IV-E program, allowing IV-E funds to be used for children who do not meet the eligibility criteria, and for activities outside those normally allowed. The Title IV-E requirements are:

- The child must have lived with a parent or relative of specified degree within the last six months prior to the removal from their home.
- The home the child was removed from must meet the July 1996 eligibility rules for the Aid to Families with Dependent Children (AFDC) program.
- The funds can only be used for eligible services such as foster care maintenance when the child is in out-of-home placement, Adoption Support after a child has been adopted, and administrative and training costs related to these services.

Washington's Title IV-E Waiver

The Washington Title IV-E demonstration waiver uses a managed care model and blended, flexible funding to provide comprehensive services to children in the child welfare system, between the ages of eight and seventeen. The project was designed with the hypothesis that services partnered through several child-serving entities (such as Regional Support Networks and Educational Service Districts) can provide a

better outcome for children at an overall lower cost to both the state and federal government. It originally focused on children who are high cost (as defined by the individual sites) and who are in need of mental health and/or special education services, and have a Diagnostic and Statistical Manual of Mental Disorders (DSM) Diagnosis. This requirement was found too restrictive and an amendment was requested from the federal government to allow the state to lower the age of eligibility to six, and drop the need for a DSM diagnosis.

The waiver seeks to improve permanency outcomes for children by providing services in the home or placement in the least restrictive setting, decreasing the length of stay in high cost care, and preventing high cost placements. Children are randomly assigned either to a control or demonstration group.

Clark County Project

Children's Administration (CA) and Clark County signed a contract in September 2001 for a joint Title-IVE Demonstration Waiver project. The County will issue a RFQ for possible providers. The project incorporates Individualized and Tailored Care principles, such as family centered, strength based and community based plan development and practices such as the use of child and family teams as decision-makers, strength based intervention planning and delivery, whole family intervention plans, and development of one plan across the CA and mental health systems for each child or family.

Services to meet the needs identified by the child and family team will be provided to the greatest extent possible. Teams will be convened by care coordinators, who will:

- hold initial conversations with family members, CA workers and other relevant stakeholders to determine perceptions of child and family strengths and needs;
- lead the child and family team in developing an overall plan based on strengths which meets needs and achieves permanency;
- with the team, complete service authorizations at least monthly and determine which services should be dropped or added based on effectiveness.

The County will:

- develop a monthly fixed-rate pricing mechanism for care coordination functions;
- train and certify care coordinators in individualized and tailored care principles;
- manage care coordinator assignment and assure that care coordinators carry a caseload of no more than 8 to 1;
- continuously monitor care coordinators to determine whether they are following the individualized and tailored care practice principles;

- develop a network of community based providers who agree to provide discrete services as part of a developed individualized and tailored care plan;
- generate agreements with potential provider network members including those currently under contract to CA, the County, and other nontraditional providers; negotiate rates for discrete services, publish those rates, and make a provider catalog available to all care coordinators which is updated at least semi-annually; and
- monitor provider network members to determine whether they are providing quality services.

Children's Administration will:

- orient and train workers who have children accepted into the Title IV-E Project Demonstration group about individualized and tailored care practice principles;
- generate a child specific list of child and family strengths to be provided to the care coordinator through the County for each child in the Title IV-E Project Demonstration group;
- provide a list of family members, community members, and existing team members, who can be accessed by the care coordinator in developing the child and family team for each child in the Title IV-E Project Demonstration group; and
- provide and update a list of current contract providers and prices for services to the County.

CA and the County are jointly funding this project. CA will pay the County a case rate for each child assigned to the Title IV-E Project Demonstration group. Children will be assigned one of two possible case rates by CA based upon their eligibility for Behavior Rehabilitative Services or for high cost foster care. The County will add to each case rate. CA will be responsible for a 2/3 share of the funding, and the County will be responsible for a 1/3 share of the funding. The costs of services to these children will be paid from the pooled funds resulting from the shared funding.

Status of Demonstration

Region 6 Children's Administration has signed a contract with their provider (Clark County) and is now targeting January 2002 for implementation.

A pre-implementation review of the Region 6 project to assess and confirm project readiness is in process with our contracted evaluator, William A. Mercer.

OTHER BLENDED FUNDING PROGRAMS

Mental Health Medicaid Waiver

By proviso in the 1999-2001 budget, the Mental Health Division has contracted with the Clark County Regional Support Network (RSN) to provide "...intensive mental health services in the school setting for severely emotionally disturbed children who are Medicaid eligible." The services are provided through teachers or teacher's assistants qualified as, or under the supervision of, mental health professionals.

The RSN is providing the matching funds for the Medicaid dollars provided by the department.

Comprehensive Pilots Evaluation Project (CPEP)

The Division of Alcohol and Substance Abuse (DASA) and the Economic Services Administration, jointly fund the CPEP, which is also known as the Drug-Affected Infants Pilots. This program serves substance abusing pregnant, postpartum, and parenting women (PPW) and their children from birth-to-three at project sites in Snohomish, Whatcom, and Benton-Franklin Counties. CPEP provides a comprehensive range of services, including residential and outpatient chemical dependency treatment, targeted intensive case management, and a research component. The goal of the project is to stabilize women and their young children, identify and provide necessary interventions, and assist women as they transition from public assistance to self-sufficiency. CPEP was initially authorized by the Legislature in the FY1999-2001 budget as a five-year demonstration project.

School Prevention and Intervention Program

The Division of Alcohol and Substance Abuse contracts with the Office of Superintendent of Public Instruction (OSPI) for prevention and intervention services provided through local Educational Services Districts (ESD). OSPI adds additional funding for programs that encourage safe and drug free schools. These services are provided by ESD staff.

BARRIERS TO BLENDED FUNDING

Although the department has been successful in blending some of its discretionary funds, there are numerous barriers to more dollars going into such projects. In last year's report we outlined several elements that prevent the blending of service dollars to occur. These barriers are still relevant now.

- Blending of federal dollars require formal waivers, when allowed, from federal statutes and regulations.

- Restrictions on state funds through budget provisos or limiting statutes often prevent the department from combining funds to provide more flexible services.
- Eligibility for receipt of funds is restricted. Categorical or earmarked funds must be tracked, cannot be commingled, and must serve a specific designated population.
- Our community partner agencies interpret their ability to be flexible differently. Some are not willing to release control of their dollars. Also, non-profit and for profit providers are restricted by the grantors of their funds.
- Federal waivers may require an onerous “experimental” approach. Although waivers from federal requirements allow more flexible use of funding, the federal government often requires an “experimental” approach to these programs. The Title IV-E demonstration waiver, for example, requires a research component be built involving random assignment of cases to control and experimental groups, strict tracking of participants and dollars expended, and a guarantee of cost neutrality for federal funding.

ALTERNATIVES TO BLENDED FUNDING

Blended funding involves the commingling of funds into a single source from which case managers can draw service dollars. As noted above, few department dollars are available to blend with other service dollars. The department, in the interests of better coordinating service between service providers, is undertaking an initiative that encourages “braiding” of funds. Braided funds retain their funding streams, tracking requirements and specific eligibility for services, but are offered as part of a coordinated package of services to shared clients.

Fifty-one percent of all children served by the department receive services from more than one division. Closely coordinating services the department provides these persons not only lessens the possibility of duplicating services, but also assures we are not working at cross purposes with other providers inside and outside the department.

No Wrong Door

Starting in the spring of 2001, department staff from all divisions, field and headquarters, were brought together to brainstorm ways to improve services. The group identified case coordination as a critical component for providing the effective, full-spectrum care we would like for our clients. Their efforts and the subsequent project they inspired is called “No Wrong Door”. The Secretary has asked the department program administrations to develop start-up sites around the state.

Start-up Requirements

The group laid out critical components for successful integration of services:

1. Target populations most in need of coordinated services are to be the focus of the start-ups. They are:
 - Long-term Recipients of Temporary Assistance to Needy Families (TANF): Families which have been on TANF for 36 continuous months; and during the past year, some member of the household received services from Aging and Adult Services Administration (AASA), Children's Administration (CA), the Division of Developmental Disabilities (DDD), the Mental Health Division (MHD), the Division of Alcohol and Substance Abuse (DASA), or the Division of Vocational Rehabilitation (DVR), or are receiving Supplemental Security Income (SSI), General Assistance for the Unemployable (GAU), or General Assistance – Expedited Medicaid (GA-X).
 - Troubled Children, Youth, and their Families: Children who have received services from Children's Administration (CA) or the Juvenile Rehabilitation Administration (JRA), and during the past year, some member of the child's household received services from AASA, CA, JRA, DDD, MHD, DASA, or DVR, or are receiving SSI, GAU, or GAX.
 - Clients with Multiple Disabilities: Clients who have used services from at least two of the following programs during the past year: AASA, DDD, MHD, and/or DASA.
2. Multi-Disciplinary Teams (MDTs) composed of staff from department divisions who share a mutual client will be formed. The teams may also include case managers outside DSHS, including tribal social services. They will review client circumstances and create a coordinated plan.
3. Clients will be involved in case planning.
4. Managers will be cross-trained in the various divisions' programs so that appropriate connections are made with other case managers
5. The consolidated "Consent to Exchange Confidential Information for Services Coordination" will be used, allowing case managers to share confidential information between programs.
6. The Client Registry will be utilized to identify clients using multiple services of the department.
7. Where possible, budgetary flexibility to deliver targeted services to clients will be encouraged.

Start-ups

Using the above principles, the department will be implementing a number of case coordination projects around the state starting January 1, 2002. We anticipate that braiding of funds from the various divisions will create more efficient and effective delivery of services to shared clients.

The local areas have proposed the following start-ups:

- Vancouver and Wenatchee - known as the A-Team, this start-up is led by Aging and Adult Services Administration and Health and Rehabilitative Services Administration. Regional supervisors from various department administrations, and outside service providers, meet to develop a coordinated case plan for shared clients.
- Yakima - led by Children's Administration in conjunction with Juvenile Rehabilitation Administration (JRA), this start-up will begin case coordination when a child enters a JRA facility. The MDT will meet ad hoc as cases present themselves.
- Rainier Community Services Office catchment area - led by Economic Services Administration (JRA), a cross program team of case managers, including outside providers, will meet to coordinate service plans for shared clients
- Seattle - led by Juvenile Rehabilitation Administration in conjunction with Children's Administration, this start-up is similar to the Yakima project. Shared clients will be followed starting when they enter a JRA facility.
- Various locations in the state – Medical Assistance Administration (MAA) will contract with local providers to provide disease management for fee-for-service Medicaid recipients with multiple medical needs. MAA providers will work with local case managers to coordinate case planning.

CONCLUSION

The department continues to look for opportunities to blend discretionary funds. Given the federal and state statutory barriers to doing that for the majority of the dollars we receive, we have also looked at possibilities for braided funding and better coordination of services through such activities as the No Wrong Door start-ups.